

Amendments to Senate Bill No. 138
1st Reading Copy

Requested by Department of Revenue

For the Senate Taxation Committee

Prepared by Lee Heiman
February 6, 2007 (8:32AM)

1. Page 1, line 18.

Strike: "7"

Insert: "8"

2. Page 2, line 2.

Strike: "80% of the amount of the qualified dividends"

Insert: "the total amount of qualified dividends allowed as a
deduction for federal income tax purposes"

3. Page 2, line 11.

Strike: "7"

Insert: "8"

4. Page 12, line 3.

Insert: "(7) The provisions of this section do not apply to an insurer involved in a proceeding under the Insurers Supervision, Rehabilitation, and Liquidation Act, Title 33, chapter 2, part 13, or any similar proceeding brought by any other state insurance commissioner."

"NEW SECTION. Section 7. Legitimate business purpose. (1)
If a taxpayer's ratio of the 5-year average net written premiums for all insurance companies in a commonly controlled group to the 5-year average total income for all insurance companies in the commonly controlled group for the tax year is greater than or equal to 60%, as determined under [section 2], then the provisions of [sections 2 through 6] do not apply.

(2) If a taxpayer's ratio of the 5-year average net written premiums for all insurance companies in a commonly controlled group to the 5-year average total income for all insurance companies in the commonly controlled group for the tax year is less than 60%, as determined under [section 2], and upon an adequate showing by a taxpayer that a transaction referred to in [sections 2 through 6] was entered into with a legitimate business purpose, the department may grant relief from the application of [sections 1 through 8].

Renumber: subsequent subsections

5. Page 12, line 5.

Strike: "7"

Insert: "8"

6. Page 12, line 7.

Strike: "7"

Insert: "8"

7. Page 13, line 23.

Strike: "7"

Insert: "8"

8. Page 14, line 12.

Strike: "7"

Insert: "8"

9. Page 14, line 14.

Strike: "7"

Insert: "8"

- END -